

INFORMATION BULLETIN

WELFARE-TO-WORK

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TO: SERVICE DELIVERY AREA ADMINISTRATORS
PRIVATE INDUSTRY COUNCIL CHAIRPERSONS
WELFARE-TO-WORK 15 PERCENT SUBGRANTEES
DOL WELFARE-TO-WORK 25 PERCENT SUBGRANTEES
COUNTY WELFARE DIRECTORS
CALIFORNIA DEPARTMENT OF SOCIAL SERVICES STAFF
EDD EXECUTIVE STAFF
WORKFORCE DEVELOPMENT BRANCH STAFF

SUBJECT: SPECIAL MIS USER GROUP MEETING MINUTES

A summary of the June 15, 1999, Special Management Information System (MIS) User Group meeting is attached. If you have questions regarding the minutes, please contact Deborah Cusimano, Manager of the Data Analysis Unit, at (916) 653-4292.

/S/ BILL BURKE
Assistant Deputy Director

Attachments

**SPECIAL MANAGEMENT INFORMATION SYSTEM (MIS)
USER GROUP MEETING**

Holiday Inn
Sacramento, California
Tuesday, June 15, 1999

Agenda

9:00 – 9:15	Opening Remarks	Deb Cusimano
9:15 – 9:30	Job Training Automation (JTA) Status	Kristen Cooper
9:30 – 11:00	Welfare-to-Work (WtW) Financial Reporting Issues	Dave Rexius, Leah Pears, and Tom Bates
11:00 – 11:15	BREAK	
11:15 – 12:00	WtW Client Forms—Participant Tracking and Reporting Issues	Cheron Dudley and Cindy Hobart
12:00 – 1:15	LUNCH	
1:15 – 2:25	WtW Client Forms—Participant Tracking and Reporting Issues (continued)	Cheron Dudley and Cindy Hobart
2:25 – 2:30	JTA Customer Support	Annette Wolfgang

SPECIAL MANAGEMENT INFORMATION SYSTEM (MIS)
USER GROUP MEETING MINUTES
Tuesday, June 15, 1999

Opening Remarks—Deb Cusimano, Manager of the Data Analysis Unit (DAU) welcomed all of the local partners to the meeting. Ms. Cusimano announced that also in attendance were representatives from the Job Training Partnership Division's (JTPD) Program Management Section, the Financial Management Unit (FMU), the Job Training Automation (JTA) Customer Support Unit, the Capacity Building Unit, the Policy Unit, and the Welfare-to-Work Coordination Unit. Ms. Cusimano explained that the hardship of being understaffed has caused some problems with providing prompt service to the Service Delivery Areas (SDA) and other local partners; however, the situation would be remedied in the immediate future. Ms. Cusimano then went over the agenda for the meeting and contents of the packets.

JTA Status—Kristen Cooper presented an update of the changes to JTA and said that now, with the addition of John Logan and Talbot Smith, a full management team is available to work on current and future JTA projects. Ms. Cooper stated that the Phase II and Phase III Welfare-to-Work (WtW) changes were completed, and SDAs can now enter expenditure reports directly into the state side of the system. Ms. Cooper stated that Year 2000 (Y2K) testing of the JTA system has been completed. However, future time machine testing will be conducted during late summer. Future Phase IV changes (which should happen in mid-July) will include Base Wage File follow-up capabilities, the Individual Participant Data (IPD) extract and load, and the expenditure and year-end changes.

WtW Financial Reporting Issues—Dave Rexius, Manager of the FMU, stated that efforts to improve the financial reporting process are ongoing. Mr. Rexius encouraged local representatives to submit any ideas or comments to him regarding process improvements.

Leah Pears of the FMU discussed the changes that were made to the Summary of Expenditures form to incorporate the new reporting requirements issued by the Department of Labor (DOL) in Training and Employment Guidance (TEGL) Letter 11-97, Change 1, dated February 22, 1999. Ms. Pears reminded everyone that quarterly reports are now due on the 20th of the month following the quarter. Ms. Pears then presented a newly revised version of the form with some additional changes that are currently being proposed to make the form more user friendly. The proposed Summary of Expenditures form includes changes to Sections II and III to create a better flow for adding up the total expenditures and completing the report. Ms. Pears emphasized that these changes are proposed, as there was some concern about line items on the old form conflicting with the revised form, especially with regard to tracking the 70/30 split.

The basic driver for WtW is the federal requirement that 70 percent of funds received be expended on the hard-to-serve and 70 percent eligible. The DOL stressed that cost allocation based on participant counts can be risky. Monitoring agencies fully expect a higher cost-per for 70 percent eligible than for 30 percent eligible, so allocation of staff salaries, fringe benefits, and overhead based on participants served is a flag for them. The DOL and Employment Development Department both suggest the use of staff time tracking sheets to provide documentation in support of allocation methods used to arrive at these costs. Ms. Pears stated that there is a possibility of changes in the 70/30-split requirement for these targeted groups. Ms. Pears suggested that subgrantees read House Resolution (HR) 1482 for more information about the changes. Ms. Pears announced that the proposed changes to the Summary of Expenditures report would be issued for review and comment in the near future. She then fielded questions regarding the proposed changes to the form and the WtW financial reporting requirements in general. Lynora Sisk of the WtW Coordination Unit and Lorraine Claassen of the DOL Region IX office assisted Ms. Pears in responding to the following questions:

Q. The WtW Interim Final Rule excludes the costs of computer hardware and software needed for tracking and monitoring from the administrative cost category. Can the costs of salaries and wages associated with the development and maintenance of client tracking systems also be excluded?

A. The preamble to the Interim Final Rule (Title 20 Code of Federal Regulations [CFR], Volume 62, page 61596 of the Federal Register) specifically states that *"it is only the cost of the assets, not the salaries or wages of staff who use the computers, that are excluded from the administration cost category."* This appears to indicate that the staff costs cannot be excluded from the administration cost category. However, Ms. Claassen indicated that it might be possible to exclude these costs under certain circumstances. The State will continue to research this issue. If it appears that staff costs can be excluded, additional guidance will be issued.

Q. Does the 70/30 requirement apply to expenditures or allocation amounts?

A. The 70/30 cost limitation applies to actual expenditures, as determined at the end of the three-year grant period.

Q. The 15 percent grantees had to submit a line item budget with their proposals. Do they have to reconcile the summary of expenditures back to the line items?

A. No. It is not necessary to reconcile the summary of expenditures back to the line items.

Q. What are comprehensive services and how are they reported?

A. An operating entity may not itself operate a program solely to provide job readiness, placement, or post-employment services. In other words, an operating entity that wishes to run a stand-alone job placement program, a program to provide world-to-work training, or other job readiness or post-employment services to WtW participants, must do so through contracts or vouchers. However, an

operating entity may directly operate a community service program, a work experience program, an on-the-job (OJT) training program, or a program to develop jobs through public or private employment wage subsidies. In the course of operating such programs or engaging in these activities, it may be necessary that the operating entity provide job readiness, placement, or post-employment services as part of a comprehensive program to move the participants from WtW. In such circumstances, an operating entity would not be prohibited from providing such services itself, rather than through contracts or vouchers, if the services are a reasonable and necessary component of the permissible program activities. If an entity is operating a comprehensive program as described above, the expenditures for job readiness, job placement, and/or post-employment services must be reported in the cost of the associated program activities (e.g., community services, work experience, OJT training, etc.), and the 50 percent holdback provision does not apply.

WtW Data Flow

Jan Arnold, consultant to the JTA support group, presented the data flow of the WtW client tracking forms. Ms. Arnold said that the WtW system is totally different from the system used to track clients in the Job Training Partnership Act (JTPA) program. Unlike JTPA, there is no link between the termination of a client from the program and performance outcomes. Performance in the WtW program is measured when the client is placed in unsubsidized employment for the first time which usually occurs while the client is still enrolled in the program. Additionally, the WtW tracking system requires the completion of a new Employment Record every time there is a change in the client's job, hours worked, or wages. The Monthly Activity Record is used to track the activities and services received by each participant each month. Case managers must report activity costs monthly, but the costs reported on the Monthly Activity Record do not roll up to match any fiscal report.

Ms. Arnold explained that the follow-up form available on JTA is intended for local use only. The data collected on this form is not used by the State to measure performance or for any other purpose. The WtW performance measures include job placement, job retention, and increased earnings. Job placement is measured when the client obtains his or her first unsubsidized employment. Wage records will be used to verify job retention and increased earnings six months from the date of the first unsubsidized employment. Additionally, the State is contracting with the University of California at Berkeley to do telephone survey interviews with WtW clients as a supplemental follow-up measure.

Ms. Arnold also explained that Block 29 (Education Status) on the new WtW Application/Registration form includes an entry (9) for "No School" which may be applicable to clients with limited English proficiency who obtained a high school diploma in another country. In cases where an individual is non-English speaking and has obtained a high school diploma or equivalent from another country, the diploma may be disregarded for the purposes of determining eligibility if such a diploma has little or no value in the labor market and the individual may be severely disadvantaged in getting a

job and advancing due to the language barrier. The DOL suggests, but does not require, that we default to the benefit of the client when filling out this block. If (9) results in WtW eligibility, it should be used. Ms. Arnold responded to the following questions:

Q. Do you need to complete a new Enrollment Record form for each activity?

A. No. Multiple Enrollment Records are only completed if a participant is enrolled in multiple funding sources (different grant codes).

Q. Where on the Employment Record form do you indicate multiple part-time jobs?

A. Check the Concurrent Employment box on the Employment Record form. A new Employment Record form must be completed for each part-time job.

Q. To qualify for unsubsidized employment does a job have to be fulltime?

A. No. Unsubsidized employment can be part-time or full-time. In fact, DOL distinguishes between jobs less than and more than 30 hours per week. Both count as unsubsidized employment. However, if a participant enters the WtW program with an unsubsidized job of less than 30 hours per week, and the WtW operator gets participant an unsubsidized job more than 30 hours per week, the WtW operator gets the placement credit.

Q. If a participant leaves the program (is terminated), do you update the old record or start a new one.

A. The participant must be re-registered, and new eligibility must be determined. Sometimes a participant is no longer eligible, so be careful about terminating a participant before all needed services have been identified and provided.

Q. When is follow-up supposed to start?

A. Follow-up begins after the first entry into unsubsidized employment or, if the client had an unsubsidized job upon entry to the WtW program, follow-up begins on the date that the client received his or her first service in the WtW program. Job retention and earnings will be measured six months from the placement date based on the participant's earnings in the two consecutive quarters following the quarter in which the participant was placed into the first unsubsidized job.

WTW Client Forms-Participant Tracking and Reporting Issues

Cheron Dudley of the JTA Customer Support Unit and Cindy Hobart of the DAU presented the revised WtW client tracking forms. A brief explanation of each form and the relevant questions and answers are provided below.

- **Application/Registration Form:** This form is completed by the agency responsible for intake. It is used to record characteristics of the applicant that are required to determine eligibility for enrollment into the WtW program. Ms. Dudley and Ms. Hobart responded to the following questions pertaining to this form.

Q. If a teen parent is under 18 and being served under his or her parent's Temporary Assistance for Needy Families (TANF) grant, is he or she eligible for WtW as a noncustodial parent?

A. No. The term noncustodial parent means a parent who is absent from the child's household due to divorce, separation, desertion, or any other reason, except absence occasioned solely by reason of the performance of active duty in the uniformed services of the United States. Children of WtW participants may benefit from WtW services through their parents in areas such as transportation, child care, and/or other support services. In addition, youth under 18 years of age, who meet WtW eligibility criteria may receive employment services, including job readiness and work experience, if full-time employment is an appropriate goal for them. However, the primary goal of TANF is for these individuals to successfully complete secondary school. The provision of employment services should complement this goal.

Q. On the reading and math test scores in the Client Forms Handbook, we used to provide codes to use if the applicant was not tested. Why have they been eliminated in the WtW version of the handbook?

A. The JTA will still accept codes 88 and 99 for those applicants who have not been tested. These codes are included in the latest revision of the *WtW Client Forms Handbook*.

Q. Why don't we have to use the nepotism form with the registration form in the WtW program?

A. Section 645.230(c)(5)(g) of the Interim Final Rule states that no individual can be placed in a WtW employment activity if a member of that person's immediate family is involved in an administrative capacity for the employing agency. The nepotism form applies to the WtW program and should be used in conjunction with the registration form.

Q. Does the 10 percent window apply to 10 percent of your total participants served or 10 percent of your 70 percent eligible participants?

A. The 10 percent window allows local flexibility in defining two of the three employment barriers that serve as criteria for the 70 percent eligible category. The definitions of poor work history and low reading or math scores can be locally defined for 10 percent of the 70 percent eligible participants who are being served in the WtW program.

Q. If an individual has a high school diploma from a foreign country, is the individual eligible for the WtW program?

A. Based on the response to this question that appears on the Internet at <http://wtw.doleta.gov/q&a/eligibility.htm> (question E21), the State can disregard a high school diploma or equivalent from another country for the purposes of determining WtW eligibility if the individual has limited English proficiency.

Q. Can items 19 through 21 on the Application/Registration form be left blank for noncustodial parents because subgrantees do not always have access to this information?

A. Items 19 through 21 require information on the TANF case number, the number of months on TANF assistance, and the TANF time limits. This information is required for the purpose of determining the applicant's eligibility for the WtW program. While the State recognizes the difficulty in obtaining this information, Section 645.214 of the WtW Grants Interim Rule requires WtW grant partners to ensure that mechanisms are in place with local County Welfare Departments to facilitate the exchange of information required to determine eligibility for individuals who are not receiving TANF assistance (i.e., noncustodial parents.) The State cannot exempt WtW grantees from this reporting requirement.

Q. How do you complete field 18 (Number of Dependents) if the applicant is a noncustodial parent?

A. Record the number of dependents residing in the household of the noncustodial parent, including the applicant.

➤ **Enrollment Form:** This form is used to enroll an eligible applicant into the WtW program. The individual may or may not be receiving a service. It is important to note that enrollment does not constitute a "participant served" status. According to DOL, an individual does not become a participant served until he or she receives a service such as in-depth assessment, the development of an Individualized Service Strategy, job readiness services, work activities, or support services. The Enrollment form is *not* used to track enrollment into activities or services. The Monthly Activity Record is used for this purpose. The Enrollment form only tracks the program that the client is enrolled in. Only one Enrollment form should be completed for a participant unless the participant is enrolled in more than one WtW program or funding source. Ms. Dudley and Ms. Hobart responded to the following questions regarding this form.

Q. On the Enrollment form, the assessment date has to be prior to the application date. This does not consider those instances where applicants have to be tested for reading and math by the WtW program operator.

A. This applies only to those cases where assessment was conducted prior to enrollment into the WtW program. If the assessment was not conducted prior to

the enrollment, there is no need to enter the assessment date on the form. The *WtW Client Forms Handbook* has been updated to clarify this issue.

Q. How will the case manager know the year of appropriation for the funding being used to serve a particular client?

A. The DOL requires participants and expenditures to be reported by year of appropriation. This is the reason that this field was added to the form. To the extent possible, local procedures should be developed to assist the case manager in completing this field correctly.

- **Monthly Activity Record:** This form is used to track the movement of participants into and out of activities during their participation in the program. The form is used to record the dollar amount of each activity for each month that the individual participates in the program. A participant may participate in more than one activity in a given month. If a participant had no activities for the month, a Monthly Activity Record is not required. Ms. Dudley and Ms. Hobart responded to the following questions pertaining to this form.

Q. If a client is participating in an activity during the month that is funded by a source other than WtW, how is the client's activity recorded on this form?

A. Activities that are not funded by the WtW grant should not be recorded on the Monthly Activity Record. If the client did not participate in a WtW funded activity during the month, a Monthly Activity Record should not be completed.

Q. Should the activity costs include intake, assessment, eligibility determination, and case management costs?

A. For the purpose of completing the Monthly Activity Record, the Department of Health and Human Services (DHHS) requires that all costs, exclusive of administration, be reported monthly on the individuals' participation in each of the WtW activities. The costs of intake, assessment, eligibility determination, and case management should be included under Activity Code 13 on the form.

Q. How are the activity categories defined?

A. These activities are defined in the State Plan. The same definitions are included in the *WtW Client Forms Handbook*.

- **Employment Record:** The name of this form was changed from "Placement Record" to "Employment Record." This form is completed to track a client's employment and/or participation in work activities. Employment may occur prior to enrollment into WtW or during participation in the program, it may be part-time or full-time or it may be self-employment. All are tracked using this form. Participants may be employed in multiple jobs concurrently or sequentially. Once the first employment record has been entered, any change in employment such as hours worked, wages earned, or moving from subsidized to unsubsidized employment

will require completion of a new form. Ms. Dudley and Ms. Hobart responded to the following questions pertaining to this form.

Q. Since the Sector Type field was changed on the form, what happens to the data that was collected in this field prior to the revision to the form?

A. Users have to go back and select the correct Sector Type using the new choices for all clients who were employed prior to the form revision. This is a critical task because the Monthly Interim Participant Report cannot be transmitted to the State until the revised Sector Types have been entered.

Q. Should an Employment Record be completed if the client is participating in employment funded by California Work Opportunity and Responsibility to Kids (CalWORKs) or any source of funding other than WtW?

A. Yes. An Employment Record should be completed for each employment regardless of the funding source. This includes clients participating in work activities paid for by CalWORKs and/or clients who obtained employment prior to enrollment into the WtW program. It doesn't matter who is paying for the work activity. Using the Employment Record in this way provides documentation that an individual is in a work activity which is required to support the provision of post-employment, job retention, and support services through the WtW program. The Employment Record should be used to record all employment while the Monthly Activity Record should be used to record only the activities or services funded by the WtW program. For example, an individual who is participating in a community services program funded by CalWORKs and receiving job retention services under the WtW program would be reported as follows: An individual's participation in the community services program would be recorded on the Employment Record as Sector Type 1—Fully Subsidized. The cost of the job retention services provided by the WtW program would be recorded on the Monthly Activity Record under Activity Code 10—Job Retention Services.

Q. How do you report a participant who is employed in multiple part-time jobs?

A. Enter 1 to indicate "yes" in box 08, Concurrent Employment and complete a separate Employment Record for each part-time job.

Q. How would you record a client's participation in unpaid work experience or community service?

A. The DOL considers these programs to be valid work activities. They should be reported on the Employment Record using Sector Type 1—Fully Subsidized.

- **Termination Form:** This form is used to terminate the active enrollment of a participant from the WtW program. This form should only be completed for clients who have finished the program or those who are not expected to return. Ms. Dudley and Ms. Hobart responded to the following questions pertaining to the Termination form.

Q. How are increased wages supposed to be measured?

- A. Increased wages should be measured using the client's preprogram wage as the baseline and comparing that to the wages the client earns in the last job that he or she had prior to final termination from the program. The DHHS requires states to report whether clients had increased wages when they were terminated from the program. This data element is being collected to satisfy this reporting requirement. However, this should not be confused with the "increased earnings" performance measure that will be calculated by DOL by comparing the total earnings for an individual in the base quarter (i.e., the quarter in which the individual was placed in his or her first unsubsidized job) to the individual's total earnings in the second subsequent quarter following the date of his or her placement into an unsubsidized job. The "increased earnings" measurement begins with the date of the first unsubsidized job. Different employers or time lapses between jobs do not stop the earnings measurement and it is not necessary for the client to be terminated from the program when the measurement occurs. For example, a person who entered unsubsidized employment on February 1 and earned \$2,500 in the base quarter (January through March) and \$3,000 in the second subsequent quarter (July through September) would be credited with a 20 percent increase in earnings (i.e., $\$3,000 \text{ minus } \$2,500 = \$500 \text{ increase in earnings; } \$500 \text{ divided by } \$2,500 = 20 \text{ percent increase in earnings}$).

Q. When is the Termination form used?

- A. The Termination form is used when the WtW program ceases to expend any funds on the client and the client is no longer in need of assistance. Unlike JTPA, there are no positive or negative terminations and there are no limits on the length of time a participant can remain in the system without being involved in a specific activity. There is no relationship between the termination of a client and performance. The employment, retention, and earnings for a client are measured when a client is placed in the first unsubsidized employment. This typically occurs when the client is still enrolled in the program.

Q. If the client was enrolled in more than one WtW funding source, do you have to complete multiple Termination forms?

- A Yes. A Termination form would have to be completed for each grant code that the client was enrolled in.
- **Follow-up Form:** The Follow-up form is for local use only. The State does not use the information collected by this form to measure WtW performance outcomes or for any other purpose.

Reporting WtW Participant Costs by Activity—Overcoming Barriers

Ms. Cusimano introduced the panel of SDA representatives who discussed their methods of tracking and reporting activity costs by participant on a monthly basis.

- **Mary Bernard, San Diego Workforce Partnership:** The first panelist to speak was Ms. Bernard, WtW Director for the San Diego SDA. She stated that the SDA's share of the WtW formula funds is \$11.8 million, and that except for intake services, which are performed by the SDA's One-Stop centers, all services for which these funds are provided, are contracted out to various service providers. Tracking by activity was a challenge for the providers because they all use different cost accounting methods. So what San Diego did was give the providers guidelines (based on the providers' cost allocations) on how to track their costs but allowed them to set up their own tracking methods. San Diego now requires the providers to match their monthly financial activity reports with San Diego's WtW activity reports; otherwise, the provider would not receive payment for the services.
- **Phyllis Garrett, Stanislaus Private Industry Council (PIC):** Ms. Garrett with the Stanislaus SDA said that the SDA requires its case managers to keep a record of the time spent with each customer and the activity to which the time should be charged. At the end of the month, the case manager applies a computed cost-per-hour to the total time spent in each client/activity and records the result on the Monthly Activity Record for each participant.
- **John Ulvila, Mendocino PIC:** Mr. Ulvila, Systems Administrator for the Mendocino PIC, said that Mendocino only provides job development services to the clients. Other services, such as case management and intake, are provided to clients at no charge to the PIC by Social Services in Mendocino County's Welfare Department. The cost tracking process begins with the generation of a monthly ad hoc report showing characteristic information on individuals enrolled in the program. The report is then given to fiscal officers who calculate the costs, which include billing information from Mendocino Transit Authority (MTA), which transports clients to various job training sites, and the Employment Development Department which provides job search and placement services.

JTA Customer Support

Due to the time constraints, Annette Wolfgang of the JTA Customer Support Unit did not make her presentation as scheduled. However, she did distribute handouts showing subgrantees how to perform ProComm and ProComm printer setups, file transfer, and MCI dial-up instructions.